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UNITED STATES DISTRICT COURT
 FOR THE EASTERN DISTRICT OF CALIFORNIA

CAROLE MIGDEN, et al

Plaintiffs,

v.

**CALIFORNIA FAIR POLITICAL
 PRACTICES COMMISSION; et al**

Defendants.

**CALIFORNIA FAIR POLITICAL
 PRACTICES COMMISSION; et al,**

Counterclaimants

v.

**CAROLE MIGDEN, individually, and in
 her capacity as candidate and committee
 treasurer; ROGER SANDERS individually,
 and in his capacity as committee treasurer;
 FRIENDS OF CAROLE MIGDEN, a
 candidate-controlled committee; RE-
 ELECT SENATOR CAROLE MIGDEN, a
 candidate-controlled committee; RE-
 ELECT ASSEMBLYWOMAN CAROLE
 MIGDEN 1998; a candidate-controlled
 committee; CAROLE MIGDEN
 LEADERSHIP COMMITTEE, a
 candidate-controlled committee,**

Counterdefendants.

Case No.: CIV. S-08-486-EFB

**COUNTERCLAIM OF
 CALIFORNIA FAIR POLITICAL
 PRACTICES COMMISSION, ET AL**

DEMAND FOR JURY TRIAL

COUNTERCLAIM OF CALIFORNIA
 FAIR POLITICAL PRACTICES COMMISSION, ET AL
 CIV. S-08-486-EFB

SUMMARY

Over a period of at least five years Senator Carole Migden, four of her controlled campaign committees, and agents of those committees engaged in a pattern of deliberate conduct through which they concealed from the public over \$1,000,000 that was eventually transferred by Senator Migden and her agents to three of her active campaign committees, long after those funds had become “surplus campaign funds.” The Political Reform Act of 1974 (“PRA”) expressly prohibits a candidate or committee from using surplus campaign funds for contributions to support candidates for elective office in California. In addition, the PRA expressly requires that all expenditures of campaign funds, including transfers of campaign funds to other accounts, be made from the one bank account established by a committee for all transactions involving campaign funds.

Moreover, Senator Migden and her agents used statutorily required campaign statements to disguise these unlawful acts. This pattern of concealment began with two statements filed in 2003, which disclosed that Senator Migden’s Assembly Committee transferred its entire cash balance of about \$977,000 to her 2004 Senate Committee after Senator Migden left the Assembly. This transfer never took place. The pattern of concealment and disguise continued with the filing of other public campaign statements in 2003 and 2007 containing false information, and with the complete failure to disclose financial transactions involving over a million dollars.

Separate and distinct from the violations of surplus campaign funds, those violations are followed by multiple reporting violations.

All of these violations are very serious. Accordingly, the counterdefendants face liability jointly and severally for up to three times the amount of surplus campaign funds unlawfully expended and received, the amounts that were not properly reported, and violations of the Political Reform Act’s “one bank account rule.” In this matter, those combined amounts exceed \$9,000,000.

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JURISDICTION

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2 1. This Court has jurisdiction of this Counterclaim under 28 U.S.C. § 1367 (a)
3 because it arises out of the same transaction and occurrence alleged in Plaintiffs and
4 Counterdefendants' Complaint so as to form a part of the same case or controversy within the
5 meaning of Article III of the United States Constitution.

PARTIES

Counterclaimants

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8 2. Counterclaimant California Fair Political Practices Commission (hereinafter the
9 "FPPC") is a state agency created by the Political Reform Act of 1974, California Government
10 Code Sections 81000-91014 (the "PRA").¹ The FPPC has primary responsibility for the
11 impartial, effective administration and implementation of the PRA. Cal. Gov't Code § 83111.
12 Pursuant to Section 91001, subdivision (b), the FPPC is the civil prosecutor for matters involving
13 state election campaigns, and is authorized to bring this action under Sections 89521 and 91001
14 subdivision (b), 91004, 91005.5.

15 3. Counterclaimant Ross Johnson is the Chairman of the FPPC and brings this
16 Counterclaim in his official capacity only.

17 4. Counterclaimants Timothy A. Hodson, A. Eugene Huguenin, Jr., Robert Leidigh,
18 and Ray Remy are members of the FPPC and bring this Counterclaim in their official capacity
19 only.

Counterdefendants

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21 5. Counterdefendant Re-Elect Assemblywoman Carole Migden 1998 ("Assembly
22 Committee") reportedly qualified as a "committee" as defined in Section 82013, about October
23 1996 and was initially formed for candidate Carole Migden's election in 1998 to the State
24 Assembly. This committee was subsequently used for candidate Carole Migden's re-election in
25 2000 to the State Assembly.

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¹ All statutory references are to the California Government Code unless otherwise stated.

6. Counterdefendant Carole Migden Leadership Committee (“BOE Committee”) reportedly qualified as a “committee” within the meaning of the PRA, in March 2001 and was formed for candidate Carole Migden’s election in 2002 to the Board of Equalization.

7. Counterdefendant Friends of Carole Migden (“2004 Senate Committee”) reportedly qualified as a “committee” within the meaning of the PRA, in December 2000 and was formed for candidate Carole Migden’s election in 2004 to the State Senate.

8. Counterdefendant Re-Elect Senator Carole Migden (“2008 Senate Committee”) reportedly qualified as a “committee” within the meaning of the PRA, in March 2005 and was formed for candidate Carole Migden’s re-election in 2008 to the State Senate.

9. At all relevant times up through about March 2007, Counterdefendant Roger Sanders was the treasurer for the Assembly Committee, the BOE Committee, the 2004 Senate Committee, and the 2008 Senate Committee.

10. At all relevant times, Carole Migden has been a “candidate” within the meaning of Section 82007 and has, on her own and through her agents, had significant influence on the actions or decisions of Assembly Committee, BOE Committee, 2004 Senate Committee, and 2008 Senate Committee. From about April 2007 to the present, Carole Migden has been the treasurer for the 2004 Senate Committee and 2008 Senate Committee.

THE UNLAWFUL CONDUCT

Background

11. Carole Migden ran for re-election to the State Assembly in 1998. By January 1, 1999, to on or about March 1, 2005, the re-election committee — the Assembly Committee — had a checking account with Wells Fargo Bank established in the name of the Assembly Committee (“Assembly Checking Account”).

12. While the Assembly Checking Account was open, three additional accounts were established in the name of the Assembly Committee. The first account was a money market account established at Wells Fargo Bank. The second account was a time account established at Wells Fargo Bank with about \$900,000 in combined funds from the Assembly Checking Account and the money market account.

13. After the time account matured, all of the account funds including interest were deposited into the Assembly Checking Account. Thereafter, the third account was established on or about April 2, 2002, a business money market account was established at Sterling Bank & Trust in the name of the Assembly Committee ("Assembly Money Market Account"). The account was opened with a \$900,000 deposit from the Assembly Checking Account.

14. When Carole Migden left the California Assembly on or about December 1, 2002, three of her controlled committees remained open: Assembly Committee, BOE Committee, and 2004 Senate Committee.

Assembly Committee — Unlawful Surplus Campaign Funds Activity

15. When Carole Migden left the State Assembly on or about December 1, 2002, the Assembly Checking Account and Assembly Money Market Account remained open and had a combined balance of approximately \$979,000.

16. By operation of law, the funds in the Assembly Checking Account and Assembly Money Market Account became "surplus campaign funds" on or about December 1, 2002. Cal. Gov't Code § 89519, subd. (a). At all relevant times, the PRA did not allow "surplus campaign funds" to be used for contributions to support or oppose candidates for elected office in California. Cal. Gov't Code § 89519, subd. (b).

17. In a statement of organization filed in July 2003, the Assembly Committee disclosed that it had terminated on June 25, 2003. Under the PRA, a terminating statement of organization signals that a committee has no surplus campaign funds, has closed its bank accounts, and will have no further reportable activity. Cal. Gov't Code § 84214, Cal. Code Regs. tit. 2 §§ 18404, subd. (a), 18404.1, subd. (c). Yet, after June 25, 2003, the Assembly Checking Account and Assembly Money Market Accounts continued to remain open and be used to make payments to the BOE Committee, 2004 Senate Committee, and 2008 Senate Committee.²

18. In September 2004, a payment of approximately \$2,000 was made from the Assembly Checking Account and received by the 2004 Senate Committee.

² Between July and November 2003, three payments totaling approximately \$55,000 were made from the Assembly Checking Account and received by the BOE Committee.

1 19. In October 2006, a payment of approximately \$350,000 was made from the
2 Assembly Money Market Account and received by the 2008 Senate Committee.

3 20. Between April and June 2007, two payments totaling approximately \$634,645
4 were made from the Assembly Money Market Account and received by the 2004 Senate
5 Committee.

6 21. None of the financial transactions discussed in paragraphs 17 through 20 were
7 disclosed by the committees as the PRA requires in Section 84211.

8 22. Between about April and June 2007, the name of the Assembly Money Market
9 Account was changed and the account was put in the name of the 2004 Senate Committee.

10 **Board of Equalization Committee — Unlawful Surplus Campaign Funds Activity**

11 23. Carole Migden was elected to the Board of Equalization in 2002. When she left
12 the Board of Equalization on or about December 5, 2004, the BOE Committee remained open as
13 did a Wells Fargo bank checking account and a Sterling Bank & Trust money market account.
14 Both accounts were established in the name of the BOE Committee.

15 24. By operation of law, the funds in the bank account became “surplus campaign
16 funds” on or about December 5, 2004. Cal. Gov’t Code § 89519, subd. (a). At all relevant
17 times, the PRA did not allow “surplus campaign funds” to be used for contributions to support or
18 oppose candidates for elected office in California. Cal. Gov’t Code § 89519, subd. (b).

19 25. In October 2006, a payment of approximately \$25,000 was made from the BOE
20 money market account and received by the 2008 Senate Committee.

21 **False Disclosures**

22 26. In August 2003, the 2004 Senate Committee filed a campaign statement
23 disclosing that on June 25, 2003, the 2004 Senate Committee received a miscellaneous increase
24 to cash, from the Assembly Committee in the amount of \$977,340.28. This payment was never
25 received.

26 27. In May 2004, the Assembly Committee filed a campaign statement for the period
27 covering January 1 through June 30, 2003, disclosing that it made a transfer to the 2004 Senate
28 Committee, in the amount of \$977,340.28. This payment was never made.

1 28. In April 2007, the 2008 Senate Committee filed a campaign statement disclosing
2 that on or about November 7, 2006, it received a transfer from the BOE Committee in the
3 amount of \$350,000. This payment was never made or received.

4 29. In August 2007, the 2008 Senate Committee filed a campaign statement that
5 amended the above-referenced April 2007 filing. The amendment disclosed that on or about
6 October 30, 2006, the 2008 Senate Committee received a transfer from the 2004 Senate
7 Committee in the amount of \$350,000. This payment was never made or received.

8 **Duties and Liability Under the PRA**

9 30. The PRA imposes duties on committees (defined by Cal. Gov't Code § 82013),
10 candidates (defined by Cal. Gov't Code § 82007), and committee treasurers. Every committee
11 must have a treasurer. Cal. Gov't Code § 84100. The treasurer must, among many other duties,
12 ensure that the committee complies with all of the requirements of the PRA concerning the
13 receipt and expenditure of funds, and the reporting of such funds. Cal. Gov't Code § 84100;
14 Cal. Code Regs. tit. 2, § 18427, subd. (a). A treasurer is jointly and severally liable for any
15 violation of the PRA for which the treasurer and any other person or persons are responsible.
16 Cal. Gov't Code § 91006.

17 31. Regarding a "controlled committee" — a committee controlled directly or
18 indirectly by a candidate in connection with the making of expenditures — the candidate must,
19 among many other duties, verify to the best of his or her knowledge that the committee's
20 campaign statements are true and must also use all reasonable diligence in the preparation of
21 such statements. Cal. Gov't Code § 82016, Cal. Code Regs. tit. 2, § 18427, subd. (c). The
22 candidate must also perform with due care any other tasks assumed in connection with the
23 raising, spending, or recording of campaign funds insofar as such tasks relate to the accuracy of
24 information entered on campaign statements. Cal. Code Regs. tit. 2, § 18427, subd. (c). A
25 candidate is jointly and severally liable for any violation of the PRA for which the candidate and
26 any other person are responsible. Cal. Gov't Code § 91006.

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FIRST CLAIM

Violation of Section 89519 and Section 89521 Liability

(All Counterdefendants)

32. Paragraphs 1 through 31 are realleged and incorporated by reference as though fully set forth herein.

33. At all relevant times, Section 89519 prohibited the use of surplus campaign funds for contributions to support or oppose any candidate for elective office in California.

34. At all relevant times, Section 89521 provided that any person who makes or receives an expenditure in violation of Section 89519 is liable in a civil action brought by the FPPC for an amount of up to three times the amount of the unlawful expenditure.

35. At all relevant times, except as otherwise stated in the Counterclaim, the Assembly Committee, BOE Committee, 2004 Senate Committee, and 2008 Senate Committee acted by and through Roger Sanders and Carole Migden.

36. On or about September 7, 2004, a payment of approximately \$2,000 in surplus campaign funds was made from the Assembly Checking Account and received by the 2004 Senate Committee. The Assembly Committee's use of surplus campaign funds was in violation of Section 89519 and makes it and its agents liable under Sections 89521 and 91006. The 2004 Senate Committee's receipt of the surplus campaign funds makes it and its agents liable under Sections 89521 and 91006.

37. On or about October 27, 2006, a payment of approximately \$350,000 in surplus campaign funds was made from the Assembly Money Market Account and received by the 2008 Senate Committee. The Assembly Committee's use of surplus campaign funds was in violation of Section 89519 and makes it and its agents liable under Sections 89521 and 91006. The 2008 Senate Committee's receipt of the surplus campaign funds and makes it and its agents liable under Sections 89521 and 91006.

38. On or about March 16, 2007, a payment of approximately \$300,000 in surplus campaign funds was made from the Assembly Money Market Account and received by the 2004 Senate Committee. The Assembly Committee's use of surplus campaign funds was in violation

1 of Section 89519 and makes it and its agents liable under Sections 89521 and 91006. The 2004
2 Senate Committee's receipt of the surplus campaign funds and makes it and its agents liable
3 under Sections 89521 and 91006.

4 39. On or about June 12, 2007, a payment of approximately \$334,645 in surplus
5 campaign funds was made from the Assembly Money Market Account and received by the 2004
6 Senate Committee. The Assembly Committee's use of surplus campaign funds was in violation
7 of Section 89519 and makes it and its agents liable under Sections 89521 and 91006. The 2004
8 Senate Committee's receipt of the surplus campaign funds and makes it and its agents liable
9 under Sections 89521 and 91006.

10 40. On or about October 23, 2006, a payment of approximately \$25,000 in surplus
11 campaign funds was made from a BOE Committee money market account and received by the
12 2008 Senate Committee. The BOE Committee's use of surplus campaign funds was in violation
13 of Section 89519 and makes it and its agents liable under Sections 89521 and 91006. The 2008
14 Senate Committee's receipt of the surplus campaign funds and makes it and its agents liable
15 under Sections 89521 and 91006.

16 **SECOND CLAIM**

17 **Violation of Section 84211**

18 (Assembly Committee, 2004 Senate Committee,

19 2008 Senate Committee, Roger Sanders, Carole Migden)

20 41. Paragraphs 1 through 40 are realleged and incorporated by reference as though
21 fully set forth herein.

22 42. At all relevant times, Section 84211 required each campaign statement required
23 by Chapter 4, Article 2 of the PRA to disclose the total amount of contributions received during
24 the period covered by the campaign statement and the total cumulative amount of contributions
25 received.

26 43. At all relevant times, Section 84211 required each campaign statement required
27 by Chapter 4, Article 2 of the PRA to disclose the total amount of expenditures made during the
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1 period covered by the campaign statement and the total cumulative amount of expenditures
2 made.

3 44. At all relevant times, the Assembly Committee, BOE Committee, 2004 Senate
4 Committee, and 2008 Senate Committee were required to file campaign statements required by
5 Chapter 4, Article 2 of the PRA.

6 45. At all relevant times, except as otherwise stated in this Counterclaim, the
7 Assembly Committee, BOE Committee, 2004 Senate Committee, and 2008 Senate Committee
8 acted by and through Roger Sanders and Carole Migden.

9 46. In May 2004, the Assembly Committee filed a campaign statement for the period
10 covering January 1 through June 30, 2003, disclosing that it made a transfer to the 2004 Senate
11 Committee, in the amount of \$977,340.28. This payment was never made.

12 47. On or about September 7, 2004, the Assembly Committee made a payment of
13 approximately \$2,000 from the Assembly Committee Checking Account, and intentionally and
14 negligently failed to report the expenditure of these funds in violation of Section 84211.

15 48. On or about September 7, 2004, the 2004 Senate Committee received
16 approximately \$2,000 from the Assembly Committee Checking Account and negligently failed
17 to report the receipt of these funds in violation of Section 84211.

18 49. On or about March 16, 2007, the Assembly Committee made a payment of
19 approximately \$300,000 from the Assembly Committee Money Market Account to the 2004
20 Senate Committee, and intentionally and negligently failed to report the expenditure of these
21 funds in violation of Section 84211.

22 50. On or about March 16, 2007, the 2004 Senate Committee received approximately
23 \$300,000 from the Assembly Committee Money Market Account, and intentionally and
24 negligently failed to report their receipt of these funds in violation of Section 84211.

25 51. On or about June 12, 2007, the Assembly Committee made a payment of
26 approximately \$334,645 from the Assembly Committee Money Market Account to the 2004
27 Senate Committee, and intentionally and negligently failed to report the expenditure of these
28 funds in violation of Section 84211.

52. On or about June 12, 2007, the 2004 Senate Committee received a payment of approximately \$334,645 from the Assembly Money Market Account, and intentionally and negligently failed to report the receipt of these funds in violation of Section 84211.

53. On or about October 27, 2006, the Assembly Committee made a payment of approximately \$350,000 from the Assembly Money Market Account to the 2008 Senate Committee, and intentionally and negligently failed to report the expenditure of these funds in violation of Section 84211.

54. On or about October 27, 2006, the 2008 Senate Committee received a payment of approximately \$350,000 from the Assembly Money Market Account, and intentionally and negligently failed to report the receipt of these funds in violation of Section 84211.

55. In a campaign statement filed on or about April 13, 2007, the 2008 Senate Committee intentionally and negligently reported receiving \$350,000 from the BOE Committee on or about November 7, 2006, when no such payment was ever made or received, in violation of Section 84211.

56. In an amended campaign statement filed on or about August 1, 2007, the 2008 Senate Committee intentionally and negligently reported receiving \$350,000 from the 2004 Senate Committee on or about October 30, 2006, when no such payment was ever made or received, in violation of Section 84211.

57. Section 91004 provides that any person who intentionally or negligently violates any of the reporting requirements of the Act shall be liable in a civil action brought by the civil prosecutor for an amount not more than the amount or value not properly reported.

THIRD CLAIM

Violation of California Government Code Section 85201

(Assembly Committee, BOE Committee, 2004 Senate Committee,

Roger Sanders, Carole Migden)

58. Paragraphs 1 through 57 are realleged and incorporated by reference as though fully set forth herein.

1 59. At all relevant times, Section 85201 required a candidate to have one campaign
2 bank account and one controlled committee for each specific election.

3 60. At all relevant times, California Code of Regulations, title 2, Section 18524 has
4 explained and implemented the rule in Section 85201:

5 (b) The candidate may transfer funds from the campaign bank account
6 to certificates of deposit, interest-bearing savings accounts, money
7 market accounts, or similar accounts which shall be established only
8 for funds for the same elective office for which the bank account was
9 established. Prior to expenditure, the funds shall be redeposited in the
10 candidate's campaign bank account.

11 61. At all relevant times. California Code of Regulations, title 2, Section 18521 has
12 explained and implemented the rule in Section 85201:

13 (a) A candidate who is required to file a statement of organization for a
14 controlled committee ... shall establish a separate controlled committee
15 and campaign bank account for each specific office identified in
16 statements filed by the candidate ...

17 (c) Redesignation [of committee bank accounts] by candidates for
18 elective state office is prohibited at the state level.

19 62. At all relevant times, Carole Migden was a candidate for elective state office
20 as defined by Section 82024.

21 63. On or about October 27, 2006, a payment of approximately \$350,000 was
22 made from the Assembly Money Market Account to the 2008 Senate Committee, in violation of
23 Section 85201.

24 64. On or about March 16, 2007, a payment of approximately \$300,000 was made
25 from the Assembly Money Market Account to the 2004 Senate Committee, in violation of
26 Section 85201.

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65. On or about June 12, 2007, a payment of approximately \$334,645 was made from the Assembly Money Market Account to the 2004 Senate Committee, in violation of Section 85201.

66. On or about October 23, 2006, a payment of approximately \$25,000 was made from a BOE Committee money market account to the 2008 Senate Committee, in violation of Section 85201.

67. Between April and June 2007, the name of the Assembly Money Market Account was changed and put into the name of the 2004 Senate Committee, in violation of Section 85201.

68. Section 91005.5 provides that any person who violates Section 85201 is liable in a civil action brought by the Commission for an amount up to \$5,000 per violation.

WHEREFORE, Counterclaimants respectfully request the following relief:

I.

Find that Counterdefendants committed the above-alleged violations.

II

On Counterclaimants' First Claim:

That Carole Migden, Roger Sanders, and the Assembly Committee be found jointly and severably liable for civil penalties pursuant to Sections 89519 and 89521, to wit: sum of \$652,000 as the approximate sum unlawfully expended (the actual amount to be proven at trial), trebled pursuant to Section 89521, for a total award of \$1,956,000 plus pre- and postjudgment interest as allowed by law, payable to the General Fund of the State of California.

That Carole Migden and the Assembly Committee be found jointly and severably liable for civil penalties pursuant to Sections 89519 and 89521, to wit: sum of \$334,645 as the approximate sum unlawfully expended (the actual amount to be proven at trial), trebled pursuant to Section 89521, for a total award of \$1,003,934 plus pre- and postjudgment interest as allowed by law, payable to the General Fund of the State of California.

1 That Carole Migden, Roger Sanders, and the BOE Committee be found jointly and
2 severably liable for civil penalties pursuant to Sections 89519 and 89521, to wit: sum of \$25,000
3 as the approximate sum unlawfully expended (the actual amount to be proven at trial), trebled
4 pursuant to Section 89521, for a total award of \$75,000 plus pre- and postjudgment interest as
5 allowed by law, payable to the General Fund of the State of California.

6 That Carole Migden, Roger Sanders, and the 2004 Senate Committee be found jointly
7 and severably liable for civil penalties pursuant to Sections 89519 and 89521, to wit: sum of
8 \$302,000 as the approximate sum unlawfully received (the actual amount to be proven at trial),
9 trebled pursuant to Section 89521, for a total award of \$906,000 plus pre- and postjudgment
10 interest as allowed by law, payable to the General Fund of the State of California.

11 That Carole Migden and the 2004 Senate Committee be found jointly and severably
12 liable for civil penalties pursuant to Sections 89519 and 89521, to wit: sum of \$334,645 as the
13 approximate sum unlawfully received (the actual amount to be proven at trial), trebled pursuant
14 to Section 89521, for a total award of \$1,003,934 plus pre- and postjudgment interest as allowed
15 by law, payable to the General Fund of the State of California.

16 That Carole Migden, Roger Sanders, and the 2008 Senate Committee be found jointly
17 and severably liable for civil penalties pursuant to Sections 89519 and 89521, to wit: sum of
18 \$375,000 as the approximate sum unlawfully received (the actual amount to be proven at trial),
19 trebled pursuant to Section 89521, for a total award of \$1,125,000 plus pre- and postjudgment
20 interest as allowed by law, payable to the General Fund of the State of California.

21 III.

22 On Counterclaimants' Second Claim:

23 That Carole Migden, Roger Sanders, and the Assembly Committee be jointly and
24 severably liable for civil penalties pursuant to Section 84211 and 91004, to wit: sum of
25 \$1,629,340 as the approximate amount or value not properly reported (the actual amount to be
26 proven at trial), and ordered to pay to the General Fund of the State of California this sum plus
27 pre- and postjudgment interest as allowed by law.
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1 That Carole Migden and the Assembly Committee be jointly and severally liable for civil
2 penalties pursuant to Section 84211 and 91004, to wit: sum of \$334,645 as the approximate
3 amount or value not properly reported (the actual amount to be proven at trial), and ordered to
4 pay to the General Fund of the State of California this sum plus pre- and postjudgment interest as
5 allowed by law.

6 That Carole Migden, Roger Sanders, and the 2004 Senate Committee be jointly and
7 severally liable for civil penalties pursuant to Section 84211 and 91004, to wit: sum of \$302,000
8 as the approximate amount or value not properly reported (the actual amount to be proven at
9 trial), and ordered to pay to the General Fund of the State of California this sum plus pre- and
10 postjudgment interest as allowed by law.

11 That Carole Migden and the 2004 Senate Committee be jointly and severally liable for
12 civil penalties pursuant to Section 84211 and 91004, to wit: sum of \$334,645 as the approximate
13 amount or value not properly reported (the actual amount to be proven at trial), and ordered to
14 pay to the General Fund of the State of California this sum plus pre- and postjudgment interest as
15 allowed by law.

16 That Carole Migden, Roger Sanders, and the 2008 Senate Committee be jointly and
17 severally liable for civil penalties pursuant to Section 84211 and 91004, to wit: sum of \$350,000
18 as the approximate amount or value not properly reported (the actual amount to be proven at
19 trial), and ordered to pay to the General Fund of the State of California this sum plus pre- and
20 postjudgment interest as allowed by law.

21 That Carole Migden and the Senate 2008 Committee be jointly and severally liable for
22 civil penalties pursuant to Section 84211 and 91004, to wit: the Sum of \$350,000 as the
23 approximate amount or value not properly reported (the actual amount to be proven at trial), and
24 ordered to pay to the General Fund of the State of California this sum plus pre- and postjudgment
25 interest as allowed by law.

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IV.

On Counterclaimants' Third Claim:

That Carole Migden, Roger Sanders, and the Assembly Committee be jointly and severally liable for civil penalties pursuant to Section 85201 and 91005.5, to wit: sum of \$10,000 and ordered to pay to the General Fund of the State of California this sum plus pre- and postjudgment interest as allowed by law.

That Carole Migden and the Assembly Committee be jointly and severally liable for civil penalties pursuant to Section 85201 and 91005.5, to wit: sum of \$10,000 and ordered to pay to the General Fund of the State of California this sum plus pre- and postjudgment interest as allowed by law.

That Carole Migden, Roger Sanders, and the BOE Committee be jointly and severally liable for civil penalties pursuant to Section 85201 and 91005.5, to wit: sum of \$5,000 and ordered to pay to the General Fund of the State of California this sum plus pre- and postjudgment interest as allowed by law.

V.

On all Counterclaimants' Claims:

Such other and further relief as this Court deems just and proper.

DATED: March 25, 2008

Respectfully submitted,

SCOTT HALLABRIN
LAWRENCE T. WOODLOCK
KOURTNEY VACCARO
MICHAEL ANDERSON

Attorneys for Defendants

/s/

Lawrence T. Woodlock